



INFORMATION ABOUT THE PROPOSED UTILITY USERS TAX

Q: What is the proposed utility users tax?

A: The November 7, 2006 election will include a ballot measure requesting voters to consider approval of a 4% Utility Users Tax. If approved by the voters:

- It would levy a tax of no more than 4% on electricity and gas bills.
- It would end in 6 years unless renewed by the voters.
- It would include an exemption from the tax for low income households who participate in PG&E's CARE program and provide a cap on the tax for large commercial users.
- It would establish a Utility Users Taxpayers Oversight Committee to oversee the City's expenditures of the tax.

Q: What will it cost?

A: If approved by the voters, the monthly tax for these utilities for a Fremont household is estimated to be about \$4 (based on an average monthly gas & electric bill of \$100; some pay more, some pay less). To determine the estimated tax for your household, multiply your gas and electric bills by 4%.

Q: What factors led to the City placing the proposed tax on the ballot?

A: The Silicon Valley recession and annual State takeaways of local tax dollars caused a sharp drop in City revenue several years ago, from which the City has not recovered. In response, the City cut its budget by about 25%, which included the elimination of 20% of the City's workforce (224 positions). To meet the reduced budget, the City instituted a number of cost saving measures including closing a fire station, implementing rotating fire station closures at four other stations, and dropping responses to low priority police calls. In addition, annual funding for maintenance of streets, parks, and other public facilities was reduced, and the City eliminated all support for supplemental hours at the four Fremont libraries. Park events like the summer concert series were eliminated.

Q: What would the new tax money be spent on?

A: The proposed utility users tax would be a general tax, which means that it can be passed by a majority vote (50% + 1) and that the revenue can be spent for basic governmental purposes funded by the City's General Fund. The City spends approximately 90% of general tax revenue on the basic priorities of police, fire, and maintenance of streets and parks. Funds raised from the utility users tax would contribute to these and other basic community services.

Q: Where can I find additional information?

A: If you have any questions regarding the proposed utility users tax, you may:

- Visit the City's website at www.fremont.gov/CityHall/UtilityUsersTax
- Contact Intergovernmental Relations Manager, Lisa Goldman at 284-4012; 3300 Capitol Avenue, P.O. Box 5006, Fremont, CA 94537-5006; lgoldman@ci.fremont.ca.us